

AMENDED IN SENATE JUNE 23, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1763

Introduced by Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)

March 11, 2003

~~An act relating to the Budget Act of 2003.~~ *An act to add Section 12693.915 to the Insurance Code, relating to health care, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1763, as amended, Committee on Budget. ~~Budget Act of 2003~~
Healthy Families Program: rural demonstration project funding.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2003.~~

Existing law establishes the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, to arrange for the provision of health care services to eligible children meeting certain household income requirements. Existing law authorizes the State Department of Health Services, in conjunction with the board, the County Medical Services Program board, and the Rural Health Policy Council, to develop and administer demonstration projects to fund rural collaborative health care networks to alleviate unique problems of access to health care in rural areas.

The Tobacco Tax and Health Protection Act of 1988, as added by Proposition 99, establishes the Cigarette and Tobacco Products Surtax Fund and authorizes moneys in the fund to be appropriated for specified

purposes. The fund consists of 6 separate accounts, including, among others, the Unallocated Account. The Tobacco Tax and Health Protection Act of 1988 may be amended by a vote of $\frac{4}{5}$ of the membership of both houses of the Legislature as long as the amendment is consistent with the purposes of the act.

This bill would authorize funding for rural demonstration projects under the Healthy Families Program to be made available from funds appropriated from the Unallocated Account in the Cigarette and Tobacco Products Surtax Fund and from federal funds. Because the bill would amend Proposition 99, it would require a $\frac{4}{5}$ vote.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~ $\frac{4}{5}$. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. It is the intent of the Legislature to enact~~
2 ~~statutory changes relating to the Budget Act of 2003.~~

3 *SECTION 1. Section 12693.915 is added to the Insurance*
4 *Code, to read:*

5 *12693.915. (a) It is the intent of the Legislature to utilize*
6 *fiscal resources in the most prudent and cost-efficient manner and*
7 *to maximize the use of federal funds for services when feasible.*
8 *Therefore, the Legislature intends to access funds from the*
9 *Unallocated Account in the Cigarette and Tobacco Products*
10 *Surtax Fund created in Section 30122 of the Revenue and Taxation*
11 *Code, and as appropriated in the annual Budget Act, and to use*
12 *these funds to obtain a 65 percent federal match through*
13 *California's allocation from the State Children's Health Insurance*
14 *Program (SCHIP). These funds will then be used under the state's*
15 *Healthy Families Program specifically for the rural*
16 *demonstration projects established in Section 12693.91.*

17 *(b) Notwithstanding Section 30122 of the Revenue and*
18 *Taxation Code, funding for the rural demonstration projects as*
19 *provided under the Health Families Program may be made*
20 *available from the funds appropriated from the Unallocated*
21 *Account in the Cigarette and Tobacco Products Surtax Fund and*
22 *from funding received pursuant to Title XXI of the federal Social*



1 *Security Act. These funds shall be used as provided under Section*
2 *12693.91.*

3 *(c) Subdivision (b) constitutes an amendment of the Tobacco*
4 *Tax and Health Protection Act of 1988, as added by Proposition*
5 *99.*

6 *SEC. 2. This act is an urgency statute necessary for the*
7 *immediate preservation of the public peace, health, or safety*
8 *within the meaning of Article IV of the Constitution and shall go*
9 *into immediate effect. The facts constituting the necessity are:*

10 *In order for the provisions of this act to take effect at the earliest*
11 *possible time, it is necessary that this act take effect immediately.*

